

January 22, 2014

TO SEC TRUSTEES:

Problems remain. There must be “accountability” for those persons responsible for years of perceived suspected reckless spending and most importantly the creation of “safeguards” to prevent a return to “old ways”.

IF total “SEC Board Expenses” averaged \$493,066.98 per year, as reflected on “leaked” 2009 printout, the total financial drain during any given 23 year period would be 11.34 million dollars .....a rather significant cost of doing business considering that healthy salaries were also paid to selected general managers.

Effectively demonstrating the “how” of this “drain”, a five page affidavit was apparently prepared by Manager Joseph Herrera, outlining the distribution of \$190,826.04 on behalf of a single trustee during the years of 2006, 2007, 2008 and 2009. As to the "why" ??????

While the Socorro Electric Cooperative serves many square miles of territory, and owns thousands of items of equipment, acquired over decades, there has never been an actual need for 11 elected trustees to bounce about on expensive junkets. The SEC function is simple: Electric power is purchased from a supplier (Tri State), distributed over distribution lines, metered, at point of sale, and paid for by customers. Simply wholesale-retail.

So on 4/17/10, member owners joined together at Socorro’s Finley Gymnasium and voted, among other things, to: (1) reduce the number of elected trustees from 11 to 5, (2) cap total Board Expenses at \$55,000.00 and (3) establish trustee term limits. Not liking this very conservative approach to business, a majority of the then 11 trustees voted to initiate a civil lawsuit against all member owners to retain “old ways”.....they lost.

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Member owner District IV